

June 16, 2008

Sean Gallagher
Director of Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

**RE: Update to Southern California Edison's 2008 Interim California Solar Initiative (CSI)
Marketing and Outreach (M&O) Plan**

Appendix A of Decision 07-05-047 provides the process that CSI Program Administrators (PAs) must follow for review and approval of interim M&O plans and mandates that each Program Administrator (PA) update its interim M&O plan by letter every six months until a final M&O plan is adopted.¹ Southern California Edison Company (SCE) therefore submits its updated 2008 Interim CSI M&O Plan for Energy Division review and approval. SCE requested and Amy Reardon granted an extension to file this update by close of business on Monday, June 16, 2008. SCE further requests a potential budget increase of up to \$15,000 for a new and important M&O activity to the extent that SCE exceeds its existing budget of \$500,000 to ensure cost recovery as described in detail below.

BACKGROUND

On December 3, 2007, Southern California Edison submitted for California Public Utilities Commission (Commission) review and approval its proposed 2008 M&O Plan for the CSI in compliance with D 07-05-047.

On January 18, 2008, Amy Reardon directed the CSI PAs to defer all Market Research and Direct Mail efforts included in their respective 2008 CSI M&O plan submissions until results from previously implemented efforts could be evaluated.

In response to this directive, SCE amended its 2008 CSI M&O plan on January 31, 2008, including the marketing activities implementation timeline and budget allocation. Energy Division subsequently approved the amended plan.

TACTICS

Many of SCE's M&O efforts remain unchanged from its January 31, 2008 plan submission already approved by the Energy Division. These ongoing activities are listed in the CSI M&O Budget matrix with the notation "No Change" and are summarized briefly as follows:

Bundled Marketing Communications — To provide customers with a more holistic approach to managing their energy use, SCE will continue to include CSI messaging in bundled communications, which also promote its EE/DR program offerings. Reprints of SCE bundled communications — such as the Residential Savings Brochure, Bundled Mailer, and B2B Welcome kit — have already been initiated and messaging has already been approved by the Energy Division.

¹ D.07-05-047, Appendix A, p. 5.

B2B CSI Bill Onsert Message (July) — SCE will promote the CSI program to medium and large commercial customers on the July SCE utility bill using “on bill” (onsert) messaging. The bill onsert message is free. As such, funds previously earmarked in the plan for a “bill insert” have been reallocated to support other tactical efforts.

CSI PAs Joint Marketing & Outreach Activities — SCE will continue to work with the other CSI PAs to facilitate the successful implementation of the following M&O efforts that require joint collaboration: CSI Applicant Tutorial Video, Consumer Guide, and monthly CSI Newsletter. The PAs will share the costs for these efforts pursuant to Decision 07-05-047. A co-funding agreement is already in place for the Applicant Tutorial Video, and a similar agreement will be developed for the Consumer Guide as this project gets underway.

CSI Fact Sheets/Statewide Banners — Fact sheets will be reprinted as current inventories are depleted. SCE took the lead on developing the CSI statewide Banners (one per CSI PA), which Energy Division has approved. The banners are being used to enhance CSI program presence at solar-related tradeshows and conferences.

The following activities represent updates to SCE’s 2008 CSI M&O Plan:

Training Program — In response to overcrowded class sizes for the monthly Installer workshop, SCE recently added a second Installer workshop each month and will soon begin a pilot program to offer the course via the Web that will require a nominal cost.

These four-hour workshops focus on the technical aspects of the CSI program and are attended primarily by installers, contractors, and people who work in the solar industry. SCE believes that a strong need exists for workshops focused mainly at residential customers interested in learning about “going solar.” The importance of reaching out to homeowners is underscored by the fact that the number of residential applications SCE has received to date is not as robust as SCE would like it to be.

To address this need, SCE is currently exploring the development of a pilot program to provide “solar basics” training for both residential and non-residential customers who are considering solar. Customers would be offered the convenience of attending a free 90-minute workshop to learn about the benefits of solar energy in a relaxed, non-technical environment. To make these workshops as accessible and convenient to customers as possible, they will be held in the evenings on a rotational basis at seven strategically selected SCE Service Centers throughout its service territory.

Much like the ongoing Installer workshops, the dates and locations of these evening workshops will be prominently promoted on SCE’s CSI Web site, and the logistics will be handled in the same manner. Additionally, a targeted direct mail effort will be implemented to announce the new solar basics training to SCE residential and business customers. A mailing list for residential customers will be sourced from the solar logistics probability model that SCE developed in conjunction with its Energy Division-approved 2007 CSI residential targeted direct mail effort. SCE will work with its Business Customer Division to identify business customer prospects that may be interested in attending the training classes. Flyers, posters and other collateral support will be developed, as needed, to promote launch of this training. In support of our increased focus on training and implementation of these new tactical activities, SCE has increased the budget allocated for Training to \$153,000.

Interactive Outreach — SCE has budgeted \$25,000 for Interactive Outreach to purchase key solar-related words and phrases (i.e. “solar,” “PV panels,” “rooftop solar panels,” etc.) on search engine/lifestyle Web sites that match the demographic and psychographic characteristics of SCE solar prospects with the highest propensity to take action. Online messaging will be developed to promote the new solar training classes to interested solar prospects in SCE’s service territory. A “paid search” solar message will be created that includes a “hot link” directing interested SCE customers to the corresponding class schedule and enrollment form on www.SCE.com.

Inclusion of CSI in SCE’s Mobile Education Unit (MEU) — SCE’s 35-foot-long mobile energy education unit travels to major events, home shows and community festivals throughout SCE’s service territory to promote residential and non-residential energy efficiency programs, including demand response and self-generation. Education and outreach is achieved through the use of interactive and static displays, written materials and brochures. Customers can also experience real-life applications of energy-efficient technologies that apply to their home.

The chart below summarizes the number of outreach events attended and customer contacts made for the period from 2006 through 2008 calendar year to date. The annual goal for 2008 is 100 events attended.

SCE Mobile Education Unit (MEU)		
Year	Events Attended	Customer Contacts
2006	80	22,654
2007	132	43,340
2008	87	34,320

The MEU is a high-reach, low-cost way to help increase awareness of the CSI program, while also promoting energy efficiency as an important first step in the decision to "go solar." SCE's current MEU was purchased in 1999, so the current interior trade dress does not incorporate any CSI- or solar-related messaging. Accordingly, SCE has budgeted \$15,000 in order to include CSI messaging in the unit's interior refurbishment scheduled for October 2008.

Solar Energy Management Success Stories — SCE has modified its original plan to now reflect one residential-focused and two nonresidential-focused CSI Energy Management Success Stories. SCE's sees inherent value in developing a residential-focused Energy Management Success Story because it may help to increase consideration for the CSI program with this target audience. The required budget allocation of \$15,000 remains unchanged.

Residential Bill Onsert (October) — Space permitting, a bill "onsert" message targeting residential customers will be included on SCE's October utility bill to promote the CSI program.

REQUEST FOR NEW M&O ACTIVITY AND POTENTIAL FUNDING CONTINGENCY

To date, M&O activities have focused on market transformation efforts to increase customer interest in solar and the benefits of participating in the CSI program. SCE fully supports this market transformation effort and will seek opportunities to maximize the market transformation from an M&O perspective. In addition, to reduce the negative impact on success of the CSI program, SCE recommends that customer M&O also needs to focus on the long-term maintenance and care of solar panels to decrease degradation, because degradation of solar panels:

- Limits the optimal electrical output and performance of a system;
- Reduces the system life;
- Reduces the overall cost-effectiveness of the system to customers and may ultimately have a negative impact on the costs of achieving a self-sustaining solar market; and
- Restricts the opportunity for the CSI program to reach its maximum 3000 MW goal.

As a result, SCE would like to develop a brochure on the long-term maintenance and care of solar panels for distribution to: (1) existing solar system owners in the CSI program; (2) installers at the training sessions; and, (3) all future system owners in their welcome kit or through direct mail.

SCE proposes that this new activity be funded from any unused budget, if the existing approved M&O activities fall below the \$500,000 budget and left-over funding is available. However, because SCE's M&O activities are expected to result in the full \$500,000 budget being committed, SCE requests that the Energy Division approve a contingency budget of an additional \$15,000 to ensure that the additional M&O activity to communicate to customers about the importance of the long-term care and maintenance of their solar panels is accomplished as SCE proposes.

BUDGET

Decision 07-05-047 stipulates that the CSI PAs must adhere to a \$500,000 annual budget for interim CSI M&O activities. Accordingly, the following updated budget allocation presents costs for the interim M&O activities described in this update:

2008 CSI Interim M&O Budget - Updated 6/16/08		
CSI Marketing Effort	Budget	Notes
RESIDENTIAL:		
Residential Bundled Materials	\$45,000	No change.
Targeted Residential Direct Mail (approved 2007 carryover expense)	\$38,000	No change.
Residential CSI Case Study (qty: 1)	\$5,000	Update to 2008 plan.
Res. CSI Bill "Onsert" Message (Tentative for October)	\$0	Update to 2008 plan. Implementation pending space availability on the Oct. bill.
BUSINESS:		
B2B Welcome Kit Reprint	\$12,000	No change
CSI Business Customer Case Studies (qty: 2)	\$10,000	Update to 2008 plan.
B2B Industry-Focused Solar Education Brochure	\$60,000	No change.
B2B CSI Bill "Onsert" Message (July)	\$0	Update to 2008 plan. Budget previously allocated for a CSI bill insert has been reallocated; no cost for CSI bill 'onsert'
Power Bulletin Article (June)	\$0	No change.
CSI STATEWIDE EFFORTS (jointly funded by the PA's):		
Applicant Video for GoSolarCalifornia website	\$50,000	No change.
Consumer Guide	\$30,000	No change.
CSI Monthly Newsletter	\$2,000	No change.
TRAINING:		
CSI Training Program	\$53,000	Update to 2008 plan.
Targeted Direct Mail Effort to promote Res./Non-Res. solar training	\$100,000	Update to 2008 plan.
OUTREACH:		
CSI Fact Sheets/Statewide Banners	\$40,000	No change.
CSI Inclusion in SCE Mobile Education Unit	\$15,000	Update to 2008 plan.
Interactive Outreach ('Paid Search')	\$25,000	Update to 2008 plan.
Solar Panel Care/Maintenance Tri-Fold Brochure	\$15,000	Update to 2008 plan. Refer to "Request for new M&O activity and potential funding contingency" discussion.
SCE.com WEBSITE ENHANCEMENT:		
SCE.com Website Enhancement	\$15,000	No change.
TOTAL:	\$515,000	

IMPLEMENTATION TIMELINE

The implementation timeline below provides proposed dates for the completion of 2008 CSI program Marketing and Outreach activities. These implementation dates are estimates and may be adjusted as needs arise.

UPDATED 2008 Interim CSI Marketing & Outreach Plan Implementation Timeline Revised June 16, 2008												
TACTICS	January	February	March	April	May	June	July	August	September	October	November	December
RESIDENTIAL:												
- CSI Targeted Direct Mail Effort (Print & Launch 2007 Direct Mail Effort)												
- Reprint of Residential Saving Brochure												
- Reprint of Residential Bundled Mailer												
- Residential CSI Case Study												
- CSI Bill "Onset" Message (Tentative pending space availability)												
BUSINESS:												
- B2B Industry Specific Solar Education Brochures (Gov't, Schools, Restaurants)												
- Reprint of B2B Welcome Kit												
- CSI Energy Management Success Stories												
- CSI Power Bulletin Article												
- CSI Bill "Onset" Message												
CSI STATEWIDE EFFORTS (Jointly Funded by PAs)												
- Applicant Video for GoSolar California website												
- CSI Consumer Guide												
- CSI Monthly Newsletter												
TRAINING PROGRAM:												
- Monthly Installer Workshops												
- NEW Residential / Commercial Solar Training Classes												
- Direct Mailer to Promote NEW Res./Non-Res. Solar Classes												
OUTREACH:												
- CSI Messaging Inclusion in SCE Mobile Education Unit												
- CSI Fact Sheet Reprints / CSI Statewide Banners												
- Interactive Outreach ("Paid Search")												
- Solar Panel Care/Maintenance Tri-Fold Brochure												
SCE.com WEBSITE ENHANCEMENTS:												
- SCE.com Website Enhancements												

COMMENTS

In accordance with D.08-05-047, parties on the service list for R.08-03-008 may send a letter to the Director of the Energy Division, commenting on SCE's proposed interim M&O plan. Anyone wishing to comment on this filing may do so by letter sent via the United States Postal Service, by facsimile, or by electronic mail, any of which must be received no later than July 8, 2008, which is 20 business days after the date of this filing. SCE will submit reply comments, if necessary, no later than July 15, 2008. Comments should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Ave.
San Francisco, CA 94102
Facsimile: (415) 703-2200
Email: inj@cpuc.ca.gov and mas@cpuc.ca.gov

NOTICE

In accordance with D.07-05-047, SCE is providing a copy of this letter to the service list in Rulemaking 08-03-008.

Sincerely,

Robert C. Botkin

Robert C. Botkin
Manager of California Solar Initiative Program
Southern California Edison

cc: Service List Rulemaking 08-03-008